

Small Businesses Get Help as States Rein In New Regs

State legislators and regulators used to act first and consider the consequences for small businesses later. Not anymore.

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States are making it a point to think about the impact on small businesses every time they pass a new law or offer up a new regulation. Close to half the states have recently passed laws requiring agencies to prepare statements detailing how many small firms will be affected by a new rule and how much it'll cost them. Agencies not only have to consider less costly alternatives, but in many cases also must submit plans to a legislative oversight committee that listens to small business concerns.

This year, a half dozen states -- Arkansas, Hawaii, Maine, Texas, Tennessee and Washington -- enacted such laws. In 2008, look for Alabama, Connecticut, Illinois, Massachusetts, Mississippi, Montana and New Jersey to follow suit.

Small businesses are already benefiting from the new approach. For example, when Colorado officials ordered all establishments that serve wine to buy professional equipment to seal half-empty bottles so patrons could take them home, restaurants and bars let out a howl. A review showed that the cost of compliance would be between \$450 and \$825 a year, so the regulation was rolled back. Now restaurants need only offer up a cork that the customer can use for the ride home.

Small fitness centers in Illinois also got help when the state Department of Public Health wrote a rule requiring all workout centers to have an automated external defibrillator, a device to help jump-start a person's heart in cases of cardiac arrest. The price tag for the machine -- about \$3,000 -- was no problem because most gyms already had one. But the rule also required that a staff member trained in its use be on hand at all times, even at the 1,000 gyms open 24/7. When estimates showed that would mean an extra \$598 a week in payroll costs, the rule was modified to require only that at least one staff member be trained in using the defibrillator. It no longer specifies that a trained staff member must be on duty at all times.